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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of	)	
	)	
Policies and Rules	)	RM-8783
Implementing the Telephone	)	
Disclosure and Dispute	)	
Resolution Act	)	

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COMMENTS

MCI Telecommunications Corporation (MCI) hereby opposes the Florida Public Service Commission's (FPSC) petition requesting the Commission to initiate a rulemaking to adopt additional safeguards with respect to pay-per-call (PPC) services.

The FPSC contends that additional safeguards are needed because it continues to receive numerous consumer complaints concerning apparent violations of the current PPC rules, in spite of the efforts of this Commission and the Federal Trade Commission (FTC) to enforce those rules. Moreover, the FPSC contends that, because charges for calls that apparently violate the rules are often part of the local exchange carrier (LEC) bill, subscribers are "pressured" into paying them. The FPSC asks the Commission to place restrictions on LEC billing to address these problems.

Specifically, the FPSC asks the Commission to require LECs to establish a service whereby subscribers could chose to prevent charges for certain calls or services from appearing on their LEC bill, unless the calls are direct-dialed or the customer's LEC card number with a valid LEC PIN is used. If this is not feasible, the FPSC requests that the Commission exert greater oversight of LEC billing by requiring entities that use it to register, or that the

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Commission require LEC billing contracts to contain a clause to terminate the contract based on a showing of continuing abuse. At a minimum, the FPSC urges the Commission to review carrier tariffs to prevent excessive charges and to prevent carriers from tariffing charges for information programs. As demonstrated herein, there is no need for the additional rules requested by the FPSC and, therefore, MCI opposes its petition.

The alleged abuses identified by the FPSC are already prohibited by the Telephone Disclosure and Dispute Resolution Act (TDDRA) and the Commission's and FTC's rules implementing the Act. For example, the rules require disclosure and restrict advertising to prevent children from accessing adult entertainment; charges for PPC services must be displayed in a part of the bill separate from tariffed telephone charges; carriers are prohibited from disconnecting service for non-payment of PPC charges; consumers can withhold payment of any disputed PPC charges, including those for which they deny knowledge; and the rules prohibit the use of an 800 telephone number in a manner that would result in the calling party being connected to a PPC service. The rules also require a statement on PPC bills which clearly informs consumers of their rights and obligations with respect to PPC charges, including notice that their local and long distance telephone service cannot be disconnected for non-payment of PPC charges. Thus, even if such charges appear in the LEC billing envelope, subscribers clearly are not "pressured" into paying them.

In addition, carriers clearly are prohibited from tariffing PPC charges as regulated telecommunications services. In a letter dated September 1, 1995, from John B. Muleta to Ronald J. Marlowe, the Commission stated that it is a violation of federal law for any entity to offer information programs as tariffed common carrier communications services and that imposition of tariffed charges by carriers for PPC services would be an unjust and unreasonable practice under Section 201(b) of the Communications Act of 1934, as amended.

The exhibits attached to the FPSC's petition further demonstrate that there is no need for additional rules because the alleged abuses of the current rules are attributable to only a few entities. Thus, instead of providing evidence of an industry-wide problem that might justify additional rules, the FPSC's petition shows that enforcement of the current rules with respect to the specific entities identified should adequately address the FPSC's concerns.

MCI also opposes the FPSC's specific proposal concerning LEC billing, which would prohibit the placement of charges on a subscriber's LEC bill if the subscriber selects the LEC billing service, except for charges by the subscriber's local and interexchange carriers that are accessed via direct dialing (including 10XXX-1) and charges for services where the service provider obtained the subscriber's LEC proprietary card number. This proposal is far too broad, as it would potentially restrict the placement of charges for legitimate tariffed services on the LEC bill in addition to PPC charges, including charges for all carrier card calls, (except for calls placed with the presubscribed LEC's calling card), collect and third party billed calls and calls dialed via 10XXX to access a toll provider other than the presubscribed carrier. It also is clearly anti-competitive with respect to card calls because it would promote LEC card usage over the presubscribed IXC's card (or any other carrier's card). And, it would place an additional barrier to competition in the intrastate toll market in jurisdictions where such competition is offered through 10XXX dialing.

The proposal also would potentially increase the connection time and the cost of service to the detriment of consumers. For example, a subscriber who has selected the billing restriction and who receives a collect call would have to provide the LEC card information to have the call billed on the LEC bill. Even assuming the subscriber had easy access to the LEC card information, providing and verifying the information would increase call set-up time significantly, which would increase the cost of service. Rather than incur these costs or the costs of arranging alternative billing for some call types, some carriers may choose not to provide service, further limiting the competitive alternatives available to consumers. Thus, in light of the rules already in place to protect consumers and the harm to competition that the FPSC's proposal would engender, MCI urges the Commission to reject the FPSC's proposed restrictions on LEC billing.

The alternative safeguards proposed by the FPSC also should be rejected because they are unnecessary. Carriers are already required to provide information on request concerning the name, address and telephone number of PPC providers and, therefore, a registration program is unnecessary. Moreover, whereas the FPSC requests a mechanism to terminate billing agreements, carriers are required to terminate service where PPC providers are in violation of TDDRA. Finally, the Commission has clearly stated that it is unlawful for carriers to tariff PPC services and the Commission has full authority to investigate carriers' tariffs to ensure compliance. Thus, to the extent that the FPSC has information concerning carriers that are unlawfully tariffing PPC services, it should provide such information to the Commission for enforcement action.

Based on the foregoing, MCI respectfully requests that the Commission deny the FPSC's petition.

Respectfully submitted,
MCI TELECOMMUNICATIONS CORPORATION

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Dated: May 1, 1996

CERTIFICATE OF SERVICE

I, Vernell V. Garey, do hereby certify that a true copy of the foregoing "Comments" in RM-8723 was served on May 1, 1996 by first class mail, postage prepaid, upon the following:

Vernell V. Garey

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